

# **EXHIBIT 34**

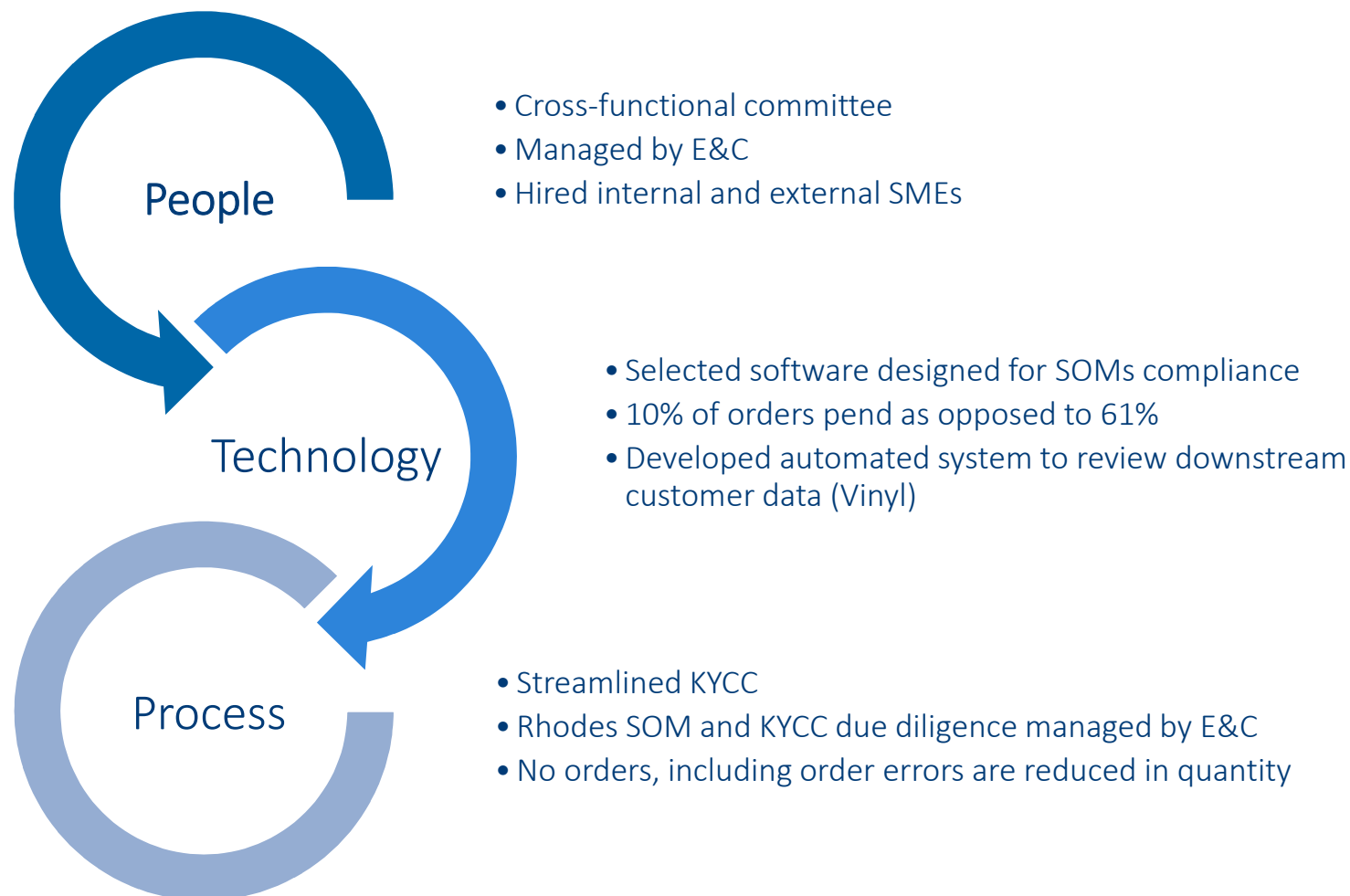
**Produced Natively**

# Ethics & Compliance/Legal Presentation: **SOM end of year review**

December 2017



# 2017 was a year of improvement for SOM



# Tactical Timeline

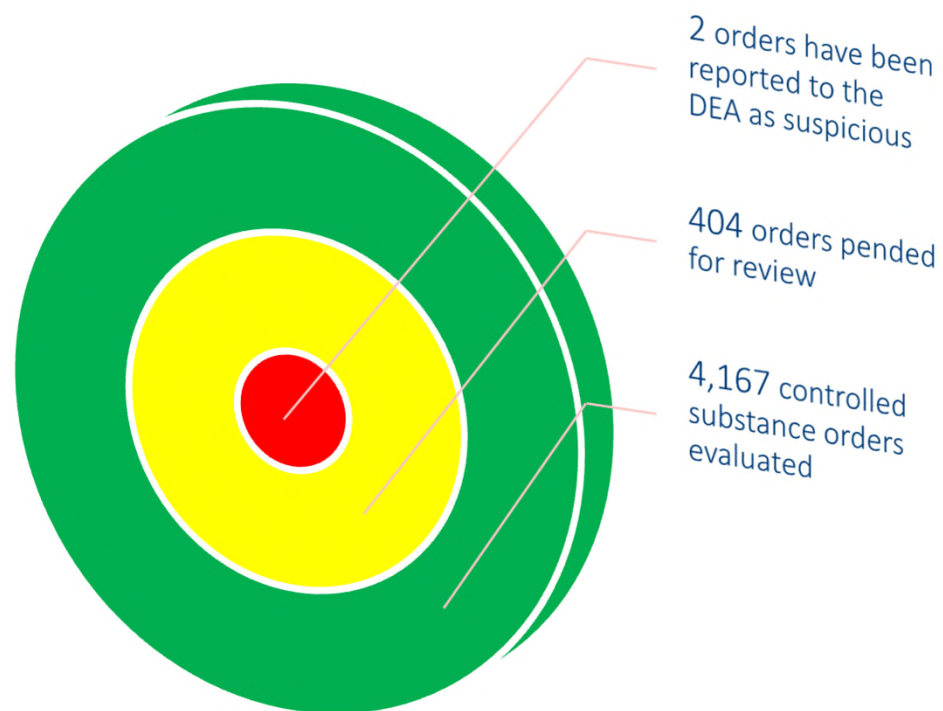


- Interim controls put in place
- Began implementation of new SOM system
- Hired a SME to manage the SOM process
- Developed new processes
- New SOM system go-live
- Training on SOM conducted via OWL
- Implemented system to automate KYCC reviews
- Took responsibility for Rhodes KYCC reviews

# Suspicious Order Monitoring



September 1<sup>st</sup>, 2017 (system go-live) to December 18<sup>th</sup>, 2017



211,701 controlled substance lines have been evaluated

# Know Your Customer



## Questionnaire

- All Purdue and Rhodes customers receiving Schedule II-V controlled substances have submitted a "Know Your Customer" questionnaire and details of their SOM program

## Purdue Site Visits

- Site visits have been conducted on Purdue customers.
  - 11 customers were visited by prior OMS team
  - 7 customers were visited in 2017 by Ethics & Compliance.
  - 4 remaining customers were scheduled for 2017 but will be visited in 2018.
    - 3 customers in Puerto Rico were postponed due to hurricane.
    - 1 customer in Ohio cancelled appointment and asked to reschedule.

## Rhodes Site Visits

- Site visits have been conducted on Rhodes customers.
  - Visits were conducted by Rhodes personnel.
  - Going forward, visits will be conducted by E&C

# Know Your Customers' Customers



- Purdue downstream customer data is reviewed on a quarterly basis. Review is currently manual.
  - 1,114,347 lines reviewed Q1-Q3
  - 46 downstream customers have been referred to the DEA and will continue to be monitored each quarter for significant changes in ordering behavior
    - 45 downstream customers identified from Q1 data.
    - 1 downstream customer identified from Q2 data.
- Rhodes downstream customer data is currently reviewed by Rhodes personnel, but will be reviewed on a quarterly basis by Ethics & Compliance starting January 2018.



# Opportunities



- State reporting of suspicious orders.
  - Subscribing to IMS eRegMonitor to have current information regarding state suspicious order reporting.
- Hospital, VA, Medical Clinic and other medical facility downstream monitoring.
  - Vinyl tool will allow for trending and other metrics that will help identify spikes in purchases and other irregular activity.



# Appendix

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# SOPs / OWL



- CC-SOP-000017 Identifying, Evaluating, and Reporting Suspicious Orders
  - Released September 25<sup>th</sup>, 2017
- CC-SOP-000018 Know Your Customer Due Diligence
  - Released September 25<sup>th</sup>, 2017
- CC-SOP-000019 Downstream Customer Monitoring and Reporting
  - Scheduled for release December 2017
- Suspicious Order Monitoring OWL launched November 6<sup>th</sup>, 2017